



## **BRIEF IN SUPPORT OF PETITION FOR CERTIORARI.**

### **OPINION BELOW.**

The opinion of the Circuit Court of Appeals (R. 545-553) is not yet reported.

### **JURISDICTION.**

The jurisdictional statement appears in the Petition for the Writ of Certiorari.

### **STATEMENT OF THE CASE.**

The essential facts are set forth in the Petition. Since the respective marks and packages of petitioner and respondents are used for competitive equivalent goods (lithiated lemon-lime flavored soft drinks and extracts and ingredients therefor), a decision of all the issues in the case requires only an inspection and comparison of the marks and of the packages.

A substantial record has been made but it relates largely to background, such as the history of the two marks and the make-up of the corresponding packages. These surrounding circumstances may be of importance in fixing the perspective and measuring the extent of the wrong charged, but such subordinate facts do not change the identity of the two marks or the appearance of the packages. Even as to these ancillary facts there is little or no dispute. There is not a single finding of fact by the trial court, nor a single conclusion by the Circuit Court of Appeals which is based on conflicting testimony. The findings and conclusions of both tribunals are grounded altogether upon direct perception of the two marks and packages.

It is undisputed that petitioner's business done under its mark, including business in foreign countries, is the equivalent of 630,000,000 seven-ounce bottles of 7 *Up* annually; the business embraces the activity of 400 bottlers whose equipment and properties are independently owned and operated; the pattern of imitation adopted by respondents has been followed by other competitors who have reproduced *Up* in such combinations as *Hy Up*, *Lemon Up*, *Bubble Up*, and *Natural Set Up*.

### **Errors Relied Upon.**

Upon allowance of the writ, petitioner will rely upon the following errors of the Circuit Court of Appeals:

1. The court erred in refusing to hold that *Cheer Up* is an infringement of petitioner's registered trade-mark *Seven Up* or 7 *Up*, under the Statute, 15 U. S. C. 96.

2. The court erred in refusing to hold that *Cheer Up* is an "interfering trade-mark" with *Seven Up* or 7 *Up*, under the Statute, 15 U. S. C. 102.

3. The court erred in refusing to hold that respondents' use of its bottle, exemplified by Plaintiff's Ex. 1, constitutes unfair competition with petitioner in respect to its bottle, exemplified by Plaintiff's Ex. 2, under the common law as interpreted by applicable decisions of Missouri courts.

## ARGUMENT.

### Summary.

#### I.

The question or questions presented involving deceptive similarity of marks is of sufficient importance to support the petition because—

(A) The decision is in conflict with a decision of the Court of Customs and Patent Appeals on the same subject matter, and with a course of decisions by that court.

(B) The particular facts here presented exemplify a broad pattern of imitation which, if sanctioned, deprives all two-word arbitrary marks of their exclusiveness in the trade.

(C) Trade-marks are private interests of an international character, and at this particular period of our national economy maintaining the legally ordained exclusiveness of American marks used in foreign countries is urgent, if not imperative.

(D) The case is of ultimate importance to petitioner in view of (a) the extensive sales and complete distribution in the United States of 7 Up and its developing trade in foreign countries; (b) the same expedient adopted by numerous other competitors who in tacit recognition of the ascendancy of petitioner's mark have joined in a concerted raid on its mark; and (c) the need for protection of over 400 bottlers whose businesses, independently owned and operated, are founded on the exclusiveness of petitioner's mark.

(E) In the wide demand for 7 Up the public is entitled to be protected from probable confusion and deception.

## II.

The decision of the Circuit Court of Appeals is probably in conflict with an applicable decision of this court, *Saxlehner v. Eisner & Mendelson Co.*, 179 U. S. 19, 33.

## III.

The issue of unfair competition, involving common law, and therefore a question of local law, has been decided in a way in conflict with an applicable local decision, *McCann v. Anthony*, 21 Mo. App. 83.

## I.

### **Federal Question.**

The issues of trade-mark infringement and cancellation of registration involve an interpretation and application of the federal statutes, thereby presenting federal questions. And while the respective sections of the statutes use different words, it would seem to be clear that a single question is involved. If a registered trade-mark is an infringement of a senior registered mark used upon the same class of goods, obviously the two are "interfering registered trade-marks."

Whether the question is presented in abstract form or concrete form, and it is presented alternately both ways in the Petition, a federal question is presented and one which is of sufficient importance to support the Petition. A decision of the issue, even when present in its concrete form, involves only an application of the statutes in a comparison of the two trade-marks. In a patent case, where the issue is thus simplified, this court has held that a question only of law is involved. *United States v. Esnault-Pelterie*, 303 U. S. 26, 30. By analogy, it would seem that the same rule applies in a trade-mark case where

the comparison is even more direct and simplified, involving in the present case a comparison of only four words. But whether it is a question of law or a mixed question of law and fact, the decision of the Court of Appeals will form a precedent binding upon the district courts in the Eighth Circuit, and persuasive upon the federal courts in the other circuits, as well as in foreign countries.

(A) CONFLICT WITH COURT OF CUSTOMS AND PATENT APPEALS.

The importance of the question is demonstrated by a conflict with a decision of the Court of Customs and Patent Appeals on the same subject matter, and with a course of decision by that court.

That court, concurring with two Patent Office tribunals, in an opposition proceeding, held *Hy Up* to be deceptively similar to *Seven Up*, *Burstein v. Seven Up Co.*, 111 F. 2d 903. The Patent Office tribunals held *Lemon Up* to be deceptively similar to *Seven Up*, *The Seven Up Company v. Gerald G. Balch*, 511 O. G. 805. It cannot be maintained that there are any differentiating facts under the trademark laws in the three cases involving, respectively, *Cheer Up*, *Hy Up* and *Lemon Up*, as compared with *Seven Up*.

Nor were the decisions of the Patent Office and the Court of Customs and Patent Appeals in the *Hy Up* and *Lemon Up* cases merely isolated decisions in particular cases. They followed a course of decisions of the Court of Customs and Patent Appeals which has been established and followed without exception for a period of at least the last fifteen years. That course of decision is demonstrated by the following examples (in addition to *Burstein v. Seven Up Co.*, *supra*):

*Jack Frost and Lemon Frost, In re Coca Cola Bottling Co. of Los Angeles*, 49 F. 2d 838;

*Celotex and Fir-Tex, Celotex Co. v. Millington*, 49 F. 2d 1053;

*Bon Ami and Shav-ami, Bon Ami Co. v. McKesson & Robbins, Inc.*, 93 F. 2d 915;

*Four Roses and Maryland Rose, Frankfort Distilleries, Inc., v. Kaska Distillers Products Corp.*, 111 F. 2d 481;

*Grape-Nuts and Wheato-Nuts, Langendorf United Bakeries, Inc., v. General Foods Corporation*, 125 F. 2d 159.

These examples might be multiplied but those noted are exactly analogous to the marks in the present case. In each case the part reproduced was the terminal word or syllable. There are no facts which distinguish the present controversy from that group of cases. *Up*, as applied to a soft drink, is wholly arbitrary; it is neither descriptive nor suggestive of any characteristic of a soft drink or its ingredients. While, as respondents have sometimes contended, *Up* is a common word, it is arbitrary when applied to a soft drink and is no more a common word than *Frost*, *Rose* or *Nuts*.

It is true that decisions of the Court of Customs and Patent Appeals are not binding as judicial precedents and are not reviewable by this court (*Postum Cereal Co. v. California Fig Nut Co.*, 272 U. S. 693), but it is none the less true that the decisions of that court in matters pertaining to trade-mark cases are entitled to special consideration.

The Patent Office and the Court of Customs and Patent Appeals (not unlike the Land Office and Internal Revenue Department in their respective spheres) constitute a highly trained, specialized government agency exclusively charged with the duty of registering or denying registration of trade-marks used in interstate and foreign commerce.

Further, those tribunals have had the maximum experience in dealing with trade-marks. It is true of the Court

of Customs and Patent Appeals, as has been said of the Court of Appeals of the District of Columbia, which formerly exercised the same jurisdiction in trade-mark cases that it has "decided more trade-mark cases than all the other courts combined in the same length of time." *California Packing Corp. v. Tillman & Bendel, Inc.*, 40 F. 2d 108, 119.

Moreover, the Patent Office in the matter of trade-marks fulfills an international function obligated of the United States by Article 12 of the Convention of the Union for The Protection of Industrial Property. (See Appendix.)

We submit these convergent considerations bring the question involved within the frequently quoted language of this court in *United States v. Moore*, 95 U. S. 760, 763: "The construction given to a statute by those charged with the duty of executing it is always entitled to the most respectful consideration, and ought not to be overruled without cogent reasons."

#### (B) THE SITUATION PRESENTED IS WIDELY REPETITIOUS.

The use of a mark comprising two words is extensive. This is demonstrated by the large number of reported cases in which two-word marks have been involved.\* It is also a matter of common knowledge and daily observation in the business world.

Respondents' action in seeking to cash in on the good will asset of petitioner by deliberately purloining one of the two arbitrary words which petitioner has fashioned into the symbol of such good will is a covetously inspired and frequently used artifice. This is attested by the seven variant analogous attempts frustrated by the Patent Office tribunals as above indicated.

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\*In the relatively few trade-mark cases decided by this court two-word marks are predominant, e. g. *Piper Heidsick*, *Hunyadi Janos*, *American Girl*, *Tea Rose*, *Old Crow*, *Round Oak*, *Coca-Cola*, *Poudre Java*, *Beech Nut*, *Nu Enamel*. Single-word marks embrace *Rex*, *Dauids*.



But the Circuit Court of Appeals, without noticing those decisions, has transformed the attempt from a failure into a success. The obvious import of the decision is that it is now permissible for late-coming competitors by a like manipulation to legally exact unearned tribute from any two-word mark, however arbitrary it may be.

Trade-mark windfalls that enable competitors to reap where they have not sown are quickly perceived and ubiquitously availed of.

We submit the obviously wide and unrestricted application of the decision to two-word marks generally renders this method of competition a proper and timely subject of inquiry by this court. It would be difficult to frame a trade-mark issue of wider reach or deeper thrust.

(C) IMPORTANCE OF THE QUESTION PRESENTED FROM THE  
VIEWPOINT OF FOREIGN COMMERCE AND TRADE.

We respectfully request the court to consider the effect of the decision in the broad perspective of foreign commerce under trade-mark treaties between the United States and other nations.

In *Beckwith v. Commissioner of Patents*, 252 U. S. 538, 546, the court said the Trade Mark Act of the Congress is designed "to promote the domestic and foreign trade of our country."

A trade-mark is an important instrumentality of foreign commerce. The development and expansion of such commerce in a 5-cent consumable article, such as 7-Up, would be difficult, if not impossible, without the aid of a distinctive trade-mark identification, and by the use of its mark petitioner has projected its trade into Canada and Mexico, where by virtue of existing treaties its good will asset has enjoyed the protection of the laws of both nations. Such treaties constitute an integral part of the act of Congress authorizing the registration of trade-marks (U. S. C., Tit. 15, Sec. 81). This court has recently

ruled (*Bacardi Corporation v. Domenech*, 311 U. S. 150, 161, 164) that such a treaty is self-executing and confers a "substantive right" to the protection of the trade-mark. The treaties uniformly provide that a trade-mark shall have the same protection in the foreign country as it has in the country of origin. (In the Appendix we have reproduced relevant excerpts from the International Convention for the Protection of Industrial Property originally signed in Paris in 1883.) However, this court has held that such protection in the foreign country can be no greater than in the country of origin (*Saxlehner v. Eisner*, 179 U. S. 19, 35-6).

The trade-mark protection is approximately the same within the confines of the contracting nations.

In *Singer Manufacturing Company v. June Manufacturing Company*, 163 U. S. 169, in reaching its decision, the court dwelt at length upon the French and English law of trade-marks.

In *Kellogg Company v. National Biscuit Company*, 305 U. S. 111, 116, one of the grounds for granting the writ of certiorari was the decision of the British Privy Council passing upon the trade-mark involved.

Specifically, a two-word mark comprised of two arbitrary words has been held to be infringed by the reproduction of one of such words in conjunction with a word substituted for the other.

In Great Britain the mark *Silent Knight* applied to gas stoves is infringed by *Red Knight* applied to the same article. *Forth & Clyde & Sunnyside Iron Co. v. Sugg & Co.*, 45 R. P. C. 382.

In Canada, *Honey Dew*, as applied to an orange-flavored soft drink, is infringed by *Flora Dew* applied to the same beverage. *Honey Dew Limited v. Rudd* (1929), Exchequer Court of Canada 83.

We consider that this court has announced the same principle in the case of *Saxlehner v. Eisner*, *supra*, page

33, and the Court of Customs and Patent Appeals has consistently adhered to the rule in the instances cited above.

In the case at bar the Court of Appeals has set aside this principle with the result that all trade-marks of the type specified, originating in the United States, are greatly impaired, if not destroyed, for purposes of foreign commerce, while similar marks originating in other countries will be protected not only in the country of origin, but by force of the treaty will be protected here in the United States (*Rossman v. Garnier*, C. C. A. 8, 211 Fed. 401, 409).

As to all marks of the type in question, the decision (a) imports a ruinous discrimination between the scope and protection of marks originating in the United States in comparison with similar marks originating in other countries; (b) is equivalent to an involuntary disclaimer of the reproduced word—*Up* here; and (c) is an authoritative invitation to competitors in Canada, Mexico and other foreign countries to engage in the unfair competition reprobated by the explicit terms of the treaty.

The decision is the counterpart of what the court dealt with in *Bacardi Corporation v. Domenech*, *supra*. There the Legislature of Porto Rico attempted to shunt aside the reciprocal protection of the treaty. Here the Court of Appeals has not dealt with the treaty, but has destroyed the subject matter of the reciprocal protection.

Porto Rico attempted to discriminate in favor of its own citizens and against other nationals; the decision of the Court of Appeals imports a discrimination in favor of foreign traders and against citizens of the United States.

It is the fixed policy of the United States to encourage and promote foreign commerce by its citizens (U. S. C., Tit. 15, Sec. 197a). The decision of the Court of Appeals is calculated to discourage and to a measurable extent frustrate that international enterprise.

(D) IMPORTANCE TO PETITIONER.

The Seven Up Company, petitioner herein, has in a period of fifteen years by the excellence of its product, fair dealing, and a liberal expenditure for advertising, developed its business from a beginning to an annual volume of 630 million bottles, that is two million bottles per day. It is identified and known to the trade by its trade-mark. The importance to petitioner in keeping its trade-mark distinctive is best stated in the words of Mr. Justice Holmes in *A. Bourjois & Co., Inc., v. Katzel*, 260 U. S. 689, 692, as follows:

“It [monopoly of a trade-mark] deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be protected with corresponding care.”

The case is of further importance to petitioner because the same expedient employed by respondents is or has been used by a number of competitors. *Hy Up, Burstein v. Seven Up Co.* (C. C. P. A.), 111 F. 2d. 903; *Lemon Up, The Seven Up Co. v. Gerald G. Balch*, 511 O. G. 805.

Complaints brought by petitioner are pending against the purveyors respectively of competing goods under the names *Bubble Up* and *Natural Set Up* (R. 430, 431, 523, 524).

Respondents have produced a large number of registrations (Defts' Ex. 52, R. 452-464), subsequent to 7 Up, which employ UP as a part of the mark, presumably to compete with petitioner. A number of those marks so registered are used on bottles (Defts' Exs. 26 to 46), which the witness Cox, president of one of respondents, concedes are used for lithiated lemon or lithiated lemon lime sodas (R. 417), that is, on a product directly competing with 7 Up.

One competitor has the audacity to use as a part of his mark “King of the Up Drinks” (Reg. 362,879, R. 460).

This situation makes pertinent the remarks of the Court of Appeals of the District of Columbia in *Broderick v. L. Mitchell & Co.*, 289 F. 618. There the marks were *White Magic* and *Magic Marvel*, both applied to cleaning compounds. The court, in refusing registration of the junior mark, said:

“The word ‘Magic’ gives character to each. In the trade the goods of both parties, if the two marks were used, would soon be known as the Magic Compound or Cleaner.”

The present decision, if it does not open the door wide, then does give encouragement to these competitors and others to adopt numerous marks similar to 7 *Up* by reproducing petitioner’s “surname” *Up*. At the same time, other Competitors, as they have been doing (Defts’ Ex. 52, R. 457, 463), will adopt either the numeral or the word *Seven*, thus completely partitioning petitioner’s valuable mark.

It is not petitioner alone that is interested in this specific decision, but also over 400 bottlers, whose businesses are independently owned and operated, who compound and supply the drink locally to the public. Twelve of these bottlers (R. 343) have spent for advertising 7 *Up* a total of \$3,611,156.67. It may be explained that because of transportation costs and economic necessities the bottling of carbonated beverages is done locally, usually by concerns independently owned and operated, but who hold territorial grants with the national purveyor of the soft drink. *The Coca-Cola Bottling Co. v. The Coca Cola Co.* (D. Dela.), 269 F. 796.

#### (E) THE PUBLIC’S INTEREST.

The public in its desire or demand for 7 *Up*, extensive as it is, has a right to be protected from deception and confusion. One of the considerations for trade-mark protec-

tion is the interest of the public in the matter, even though it appears as a controversy between two private parties. The courts of the present day look to that protection of the public as much as the protection of private property in deciding issues of trade-mark infringement and unfair competition. The history of trade-mark laws emphasize this fact because in the beginning of this law in England the ground of the court's interference was merely to save the public from a fraud. Fox, *The Canadian Law of Trade-Marks and Industrial Designs*, p. 4.

In *Federal Trade Commission v. Good-Grape Co.* (C. C. A. 6), 45 F. 2d 70, 72, the court had under consideration the marking of a soft drink beverage to indicate artificial flavor and color. The following remarks of the court are just as pertinent to the present case as they were there:

"It is equally clear that a substantial public interest is involved. The beverage is sold for human consumption and ordinarily for immediate use, the labeled cap or crown having been first removed. The average purchaser makes for himself only a casual if any examination of the real character of this five-cent drink."

## II.

### **Saxlehner v. Eisner & Mendelson Co., 179 U. S. 19.**

Were it not for the refusal of the Circuit Court of Appeals to consider *Saxlehner v. Eisner & Mendelson Co.*, 179 U. S. 19, which was urged both on the original presentation and in a petition for rehearing, we would assume the decision to be in direct conflict with that case. There the following principles were announced (l. c. 33):

"It is not necessary to constitute an infringement that every word of a trade-mark should be appropriated. It is sufficient that enough be taken to deceive the public in the purchase of a protected article. It

was said by Vice Chancellor Shadwell, in 1857, 'that if a thing contains twenty-five parts and but one is taken, an imitation of that one will be sufficient to contribute to a deception, and the law will hold those responsible who have contributed to the fraud.' *Guinness v. Ulmer*, 10 Law Times 127. While this may be a somewhat exaggerated statement, the reports are full of cases where bills have been sustained for the infringement of one of several words of a trade-mark."

The facts in the two cases are closely analogous and, where they are not parallel, the differences are not critical or decisive. The goods involved, mineral water in the one case and a soft drink beverage in the other, are similar. Both cases involve a two-word mark charged to be infringed by another two-word mark having one of the words common with the original. In the *Saxlehner* case the mark was *Hunyadi Janos* and the accused mark was *Hunyadi Matyas*.

Another point of similarity in the cases is that the part taken is "neither descriptive nor geographical, but merely arbitrary and fanciful as applied" to the goods (l. c. 30). *Hunyadi Janos* was the name of an Hungarian hero, and the mineral water was of Hungarian origin. *Seven Up* as a whole and as to each of its parts is likewise purely arbitrary and fanciful as applied to soft drinks.

In the *Saxlehner* case the common word formed the initial part of the mark, while here it is the terminal word, but it cannot be assumed that this distinguishes the cases. There is nothing in the reasoning of the court to suggest that a different result would have been reached if the marks had been reversed, *Janos Hunyadi* and *Matyas Hunyadi*.

In the one case the words are of foreign language origin, while here they are Anglo Saxon. But this cannot be a factor because the controlling element is their arbitrary

and fanciful nature in relation to the goods. Here again we may point out the international character of trade-marks. In Mexico and French-speaking Canada and other countries which use a language other than English, the *Up* in *Seven Up* and *Cheer Up* or other similar combinations of *Up* have the same foreign tinge as *Hunyadi*.

In the one case as in the other, the question persists: Is the reproduction of one of the two words calculated to distinguish or to confuse the two products?

### III.

#### **Unfair Competition, *McCann v. Anthony*, 21 Mo. App. 83.**

The Circuit Court of Appeals has decided the issue of unfair competition, involving common law or local law, in conflict with an applicable decision of the Missouri courts, *McCann v. Anthony*, 21 Mo. App. 83.

The opinion of the Court of Appeals does not mention this Missouri decision, although petitioner called attention to it at the hearing and urged it specifically on petition for rehearing. According the full deference due the opinion and the inference from its failure to mention the Missouri decision, this ground for granting the writ is presented and urged with confidence and conviction.

The issue in the present case is illustrated in the Appendix by color photographs of petitioner's bottle and respondents' accused bottle. The physical exhibits themselves, respectively Plaintiff's Exhibits 2 and 1, are filed with this petition.

For convenience, the precedent decision relied upon is also printed in the Appendix. The labels involved in that case have been reproduced from the files of the court, as they actually appear in the original opinion.

The principle of law announced in that case is fully as applicable to the facts here as there and the facts in the two cases are parallel. Each point of similarity in the



packages pointed out by the court has its counterpart in the present case.

Furthermore, the question upon which each case turned is identical, but that question was decided by the Circuit Court of Appeals for the Eighth Circuit contrary to the applicable decision of the St. Louis Court of Appeals. That question may be framed as it is in the petition:

“In a comparison of the general appearance of two competing packages, each appearance being comprised of a complex combination of elements that taken severally are old, is it allowable to break up the combination by isolating and disregarding the presence of the background element of both combinations, because such element (not the combination) is in the public domain and thereupon to ground the absence of confusing similarity on the combination as so disrupted?”

In the *McCann* case this question is answered in the negative; in the present case it is answered in the affirmative.

In the *McCann* case the court pointed out that the entire combination of resemblances could be broken successfully by changing the color of the background, and said:

“The defendant can easily repair the wrong without much expense to himself and without destroying the plate upon which his label is printed, by adopting a color upon the background distinctly different from red, or by making a new plate and changing the other distinctive characteristics of form and size, above pointed out.”

In the present case the court (R. 552) eliminates the green glass background as an element in the combination, and then bases its judgment on the hypothetical structure remaining.

In the *McCann* case two witnesses for the plaintiff gave evidence they had been deceived by the defendant's label,

and the defendant introduced several witnesses who testified that they could not be deceived. But the court brushed aside this testimony and gave it no consideration, saying, l. c. 89, that the whole case must be decided upon a comparison of the two labels. In the present case (R. 552), however, the court apparently draws a presumption from the fact that no evidence of confusion, deception, or palming off, was offered.

In the *McCann* case the court held, l. c. 89, in relation to a decision on a comparison of the labels, "The sole question is, what conclusion of law is to be applied to the facts."

The court in discussing the principles of unfair competition said, l. c. 90, that the imitation is sufficient to call for the intervention of the court if "it be so close as to deceive the incautious and unwary."

The court found six points of resemblance between the labels, l. c. 91, and these points have exact counterparts in the present case, as will be seen from the following chart, comparing the facts here with the finding in that case:

THE MCCANN CASE.  
(l. c. 91.)

THE PRESENT CASE.

- |   |  |
|---|--|
| "1. The general form.                                       | 1. The same form and the same general arrangement. |
| 2. The oval vignette.                                       | 2. The rectangular body panel.                     |
| 3. The lettering on the white field on the left hand side.  | 3. The white lettering on the back.                |
| 4. The lettering on the white field on the right hand side. | 4. The white neck label.                           |
| 5. The size.  | 5. The size.                                       |
| 6. The general color."                                      | 6. The general color.                              |

In the present case not only is the background color the same, but there is a complex combination of other things: identity in shape and size; identity in means of decoration; similarity in arrangement; and correspondence in colors of decoration. (The difference between the two shades of red is not sufficient to make any impress upon the buying public. *Stuart v. F. G. Stewart Co.* [C. C. A. 7], 91 F. 243, 246. In advertising, neither party can nor does adhere strictly or closely to the exact hues, and the difference between the two is so slight that the color camera has difficulty in distinguishing them.)

In addition to the similarities in general appearance we find the identical location five times of the arbitrary *Up*; both petitioner and respondents use *Up* twice on the front and three times on the back of the bottle, each in the identical locations.

In the *McCann* case the defendant had placed upon its package the notation "Not Old Coon," but this was held to be insufficient to prevent confusion. In the present case the respondents have not only failed to take any measure to prevent confusion, but have added to the confusion and deception caused by the similarity in packages and similarity of marks by other means. They have used on the bottle the name of a straw corporation, "Cheer Up Sales Co. of St. Louis, Inc.," in simulation of the name of petitioner's bottler "Seven Up Bottling Co., St. Louis, Mo." In addition they have used on the bottle the expression "There is no substitute for Cheer Up," in simulation of petitioner's advertising phrase (Pltff's Exs. 27, 28, 29, R. 187-197) and to confuse the public into believing that it is the original.

The case of *McCann v. Anthony* is not one of first impression nor a pioneer case, but one decided by the court after having had several cases of this general nature before it, l. c. 89. It is intended to state and apply the settled

law in the state. The case was decided upon principles which were "well settled and understood" in that court.

It may be immaterial in this connection whether the rule in Missouri is anomalous or not, since that rule is the law in this case. But the rule is not anomalous. It was announced and followed by the Second Circuit in *N. K. Fairbank Co. v. R. W. Bell Mfg. Co.*, 77 F. 869, 876. There the court had before it two packages for soap powder. The court said:

"Color, undoubtedly, is a most important element in all package combinations; but there are other elements as well, which go to make up the entire combination. Because a total change of color would so change the general appearance as to destroy resemblance to another package, it by no means follows that color alone would be sufficient to produce a general appearance resembling another package. It would not be giving the complainant a monopoly of yellow to restrain the sale of a particular yellow package, where, in addition to the color, a number of other elements, each differing more or less from its analogue, in complainant's package, had been so allocated together as to produce a general appearance calculated to delude the unwary purchaser."

A widely followed decision on the question of unfair competition is an opinion by Mr. Justice Holmes, then on the Supreme Judicial Court of Massachusetts, *New England Awl & Needle Co. v. Marlboro Awl & Needle Co.*, 168 Mass. 154, 46 N. E. 386, 387. It was there said:

"Of course, a person cannot claim the monopoly of a color in connection with a particular line of trade, and very likely not in connection with the labels of a certain kind of goods generally; but the most universal element may be appropriated as the specific mark of a plaintiff's goods if it is used and claimed only in connection with a sufficiently complex combination of other things. The plaintiff did not claim

the exclusive right to brown labels for awls, but it claimed the exclusive use of the brown color in the combination we have described. If the only other element besides the color had been a box of a certain size and a label of a certain shape, the case might be different (*Enoch Morgan's Sons Co. v. Troxell*, 89 N. Y. 292); but when there is added an inscription which, both in its pictorial aspect of black marks and in its meaning, was calculated to confuse, if not to deceive, the plaintiff's claim seems to us moderate."

That case was referred to by Mr. Justice Holmes in *Joseph Schlitz Brewing Co. v. Houston Ice & Brewing Co.*, 250 U. S. 28, 29, a case decided on its facts for defendant, but where it was said, as to the test for unfair competition:

"It is not necessary that the imitation of the plaintiff's feature taken alone should be sufficient to deceive. It is a fallacy to break the fagot stick by stick. It would be enough if taken with the elements common to the public the inscription accomplished a result that neither would alone."

It seems clear upon the application of the principles announced in *McCann v. Anthony* and a comparison of the facts in that case with the facts here, that the present decision is in conflict and untenable with the common law in Missouri, as announced and interpreted by an applicable local decision.

### CONCLUSION.

Two questions are inherent in and in fact comprise the case; one relates to the scope and exclusiveness of two-word registered trade-marks, and the other relates to unfair competition in the use of confusingly similar packages. These questions can be stated abstractly in the terms of the principles involved, or concretely in the terms of the specific issues of the present action, and they have been stated in both forms alternately in the Petition.

The question relating to trade-marks, the infringement of *Seven Up* or *7 Up* by *Cheer Up*, stating the question concretely, and the concurrent registrability of the two marks, when applied to the same goods, involves the interpretation and application of the federal trade-mark statutes. It has been decided in a way probably in conflict with an applicable decision of this court in *Saxlehener v. Eisner*, *supra*, but because the Court of Appeals refused to consider the analogy between the cases, we are constrained to say the question has not been settled by this court. For the reasons appearing at length in the argument and abstracted in the summary, it is of such importance as to justify an allowance of the writ to the end that it may be settled by this court.

The other question, which relates to unfair competition, involves an application of common law and has been decided by the Court of Appeals in a way untenable with an applicable state decision.

Respectfully submitted,

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